

PORTILLO HILLS II HOMEOWNERS' ASSOCIATION,  
an Arizona non-profit corporation

ENFORCEMENT RULES

At a meeting of the Board of Directors (the "Board") of Portillo Hills II Homeowners' Association (the "Association"), an Arizona non-profit corporation, duly called and held on the 14th day of April, 2022, the following rules were adopted.

1. Authority for these Rules. These rules are established in accordance with the Arizona Planned Communities Act A.R.S. §33-1803 and the Association's Declaration of Covenants, Conditions and Restrictions (the "Declaration"), Article XI, "Enforcement".
2. Reporting a Violation. The complainant must submit his/her complaint in writing or email specifying the rule or restriction that is violated. Violations are to be reported to a member of the Architecture and Grounds (A&G) Committee. Verbal complaints about violations on Lots will not be accepted.
3. Informal Notification. If a violation of the Declaration or the Association's rules or guidelines is noted by or reported to the Association, an Association representative will contact the Owner of the Lot that is in violation by personal visit, telephone or in writing (via email, hand delivery or U. S. Postal Service). The Owner will be informed of the violation and asked to rectify it within two weeks.
4. Notice of Violation. If the Owner has indicated that he/she does not intend to resolve the violation, has failed to correct the violation within two weeks from the date of the informal notification, or has not made alternative arrangements with the Association, the violation will be forwarded to the Association President. A written Notice of Violation will be sent to the Owner by certified mail.
5. Contents of Notice of Violation. The Association's Notice of Violation shall provide at least the following information:
  - a. The rule or restriction that allegedly has been violated.
  - b. The date of the violation or the date the violation was observed.
  - c. A copy of these "Enforcement Rules" which specify the process to contest the notice.
  - d. Notice of the Owner's option to petition for an administrative hearing on the matter in the Department of Real Estate pursuant to A.R.S. §32-2199.01.
6. Contesting the Notice of Violation. If the Owner wishes to contest the Notice of Violation, the Owner shall provide a written response by certified mail within 21 calendar days after the date of the Association's Notice of Violation, which may include a request for any additional information the Owner requires. This response shall be sent to the Association's office at the address shown on the notice of violation.

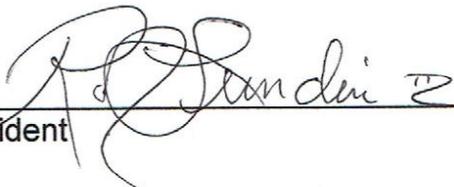
7. Response by Association to Owner. Within 10 business days after receipt of the Owner's response, the Association President or designated representative shall respond to the Owner with a written explanation regarding any additional information the Owner reasonably requires in addition to the first and last name of the person(s) who observed the violation.
8. Alternative Procedure. Alternatively, at this point the Board may elect to follow the procedure set forth in Article VII, Section B of the Declaration to correct the violation. If the Board elects to use that procedure, then paragraphs 9 through 18 do not apply.
9. Notice of Hearing. If after 35 days after the date on the Notice of Violation, the non-compliance still has not been cured, the Board may refer the matter directly to the Association's attorney for further action or may send the Owner a "Notice of Hearing" via hand delivery or certified mail, return receipt requested and first class mail, wherein the Owner will be invited to attend the next Board Meeting and have an opportunity to be heard before further enforcement action is taken. The date, time and location of the hearing shall be stated in the Notice of Hearing.
10. Designated Representative. An Owner may present to the Board (prior to or at the hearing) written notification that another person is the Owner's designated representative. A designated representative may speak on behalf of the Owner.
11. Procedure for Hearing. The Hearing will be held in executive session prior to the beginning of the open Board meeting or at a special Board meeting. The procedure for the hearing will be set by the Board of Directors. The Owner will be informed of the procedure before the hearing begins. The Owner and/or the Owner's designated representative will be given an opportunity to present supporting documentation and testimony to show cause why further enforcement action should not be authorized by the Board, which could include the levy of a monetary penalty and/or referral of the matter to the Association's attorney.
12. Proof of Delivery of Notice. Proof of delivery to the Owner of the Notice of Hearing shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery is entered into the minutes of the hearing, by the officer, director, or agent who mailed or delivered the Notice.
13. Procedure if Owner or Representative Does Not Appear. If the Owner or the Owner's designated representative does not appear at the hearing, they shall be deemed to have waived their right to a hearing, and the Board may levy a monetary penalty, take other enforcement action, and/or refer the matter to the Association's attorney for further action.
14. Board's Decision. Notice will be sent to the Owner within 10 business days after the date of the hearing, stating the Board's decision, including the amount of any monetary penalty or other enforcement action that may have been imposed by the Board,.
15. Amount of Monetary Penalty. The penalties for violations of the Rental Rules are specified in those rules, For other violations, the penalty shall be \$100.00 for each violation after notice and an opportunity to be heard, plus \$100.00 for each month or portion of a month in which the violation continues.

16. Repeat Violations. A penalty for repeated violation of the Association's rule or restriction may be imposed by the Board for each issue of noncompliance of the same rule or restriction.

17. Delinquency of Penalty. Any monetary penalty imposed, which has not been paid within 30 days after its stated due date, shall be delinquent, and a late charge will be added to the penalty. The late charge will be the greater of \$15 or 10% of the unpaid penalty.

18. Cumulative Rights and Remedies. All rights and remedies of the Association at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. This means that the Association's Board can decide to bring a lawsuit against an Owner to enforce an applicable Association rule, restriction or statute in addition to or instead of imposing a monetary penalty. This also means that all pertinent provisions of the Declaration also apply.

DATED this 14th day of April, 2022.

By:   
President

ATTEST:   
Secretary